Sales Management 101, Conducting Powerful Sales Review Meetings

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I am surprised by the numbers of executives (including sales) looking for help in understanding how to conduct strong sales review meetings. The review meeting is one of the most important tools available in managing and leading the sales organization.

Effective reviews enable the manager to quickly understand what is happening, coach sales people on individual deals as well as overall effectiveness, identify critical opportunities and situations, communicate priorities, and set the tone for the sales organization. The review process is fundamental to assuring that sales will produce the results it has committed to.

Several types of reviews are critical in managing the sales organization.

- Funnel/forecast review.
- Critical opportunity review.
- Key account review.
- Territory review.

These reviews can be combined into one meeting, conducted separately. Reviews can be conducted with individual sales professionals or with the entire sales team.

Let's look at each of these and how managers can use the reviews most effectively.

The Funnel/Forecast review:[1]

This review needs to be done in detail on at least a monthly basis. For businesses with a large number of transactions, or those with high volatility with the sales funnel, the review may need to be conducted more frequently.

Management needs to inspect the funnel for each sales professional to determine a number of things:

- What are the critical opportunities that are expected to close in the next 30 days? What needs to be done to assure they close on time?
- What exposures are there to achieving the monthly goals?
- What is the outlook over the longer period (i.e. 60-90 days)? Are activity levels sufficient to assure the sales professional will achieve their goals/quota?
- Since the funnel is a representation of the selling process, how effectively is the sales person executing the process? This is done by reviewing key opportunities in the funnel as well as looking at the overall flow of opportunities through the funnel.
- Is the funnel balanced? To make your goals, you need to assure the sales person is focusing on developing new sales opportunities, as well as closing current deals.
- What prospecting activities are being driven to load the funnel? Are these sufficient?
- What has changed in the past two funnel reviews? Are opportunities progressing through the funnel at a reasonable rate? What key opportunities are not progressing as expected? We should expect reasonable movement through the funnel, demonstrating progress in the sales cycle. Opportunities that are not progressing should be inspected. Opportunities that move up, rather than down should be inspected.

[1] The funnel is a key management tool that has been used for years by sales professionals. Partners In EXCELLENCE has developed a number of key sales metrics associated with the funnel. These address areas of business volumes, goal attainment, individual, and group productivity, individual effectiveness, and other areas. Please contact us for detailed materials on these metrics.

Dimensions of EXCELLENCE™ is based on the four dimensions of performance and organizational excellence. These are the foundation for our development programs oriented to achieving performance and organizational excellence in sales, marketing, and customer service.

These white papers provide concepts and ideas based on the application of these principles of these programs and our work with our clients. We welcome your comments and observations on these topics.

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- What level of churn is there in the funnel? High levels of churn can indicate a number of problems with the sales person's capabilities. For example, they may have problems qualifying or closing.
- Is there integrity in the funnel? Funnels that are not kept updated indicate there is no integrity to the forecast. How many times have you seen a projected close date that has past? What does this indicate about how well the salesperson is managing the territory?
- How well is the sales person managing their time and their territory?

Over time, the funnel also provides the manager a tremendous tool to understand the effectiveness and efficiency of the sales person, that is, are they being as productive as possible. You can use the funnel review to determine sales cycle time, conversion/win rates, and a number of other productivity factors.

To conduct the review most effectively, I suggest the following:

- Have the sales person's funnel/forecasts from the past two months. Get the current funnel 1-2 days before the meeting.
- Focus on what has changed from the prior two months. In the meeting ask about the changes, what has happened, and why.
- Inspect 2-3 critical opportunities. Use this inspection both to understand what is necessary to close the business as well as to understand how well the sales professional is executing the sales process.
- Assess the activity levels. Is activity sufficient to achieve goals?
- In questioning the sales professional on the funnel, probe the responses. Make sure the sales professional can support everything in the funnel with facts, not guesses. The more they guess or don't know, should be a cause for concern about how well they are managing their territory.

Initially conducting the review may take some time. Once you get the process down, you should be able to conduct the review very quickly, focusing on the most important changes and issues.

Critical Opportunity Review:

The purpose of the opportunity review is to focus on specific sales opportunities, learning what has happened and what needs to be done to close. Usually, these are conducted on an as needed basis. Additionally, I have found it useful to include a few opportunity reviews in the monthly forecast meeting.

For each of these opportunities, it is critical that management understands:

- Where are we in the selling cycle? Where is this positioned in the funnel? Skipping critical steps in the selling process increase the chances of losing.
- Are we aligned with the customer's buying cycle? Too often, we see situations where the selling and buying cycles are out of sync. These situations increase our odds to fail.
- Do we have a compelling and differentiated value proposition that the customer believes? Is there strong business justification for our proposal? What does the customer say it will take to make a decision for us?
- What are our current odds-to-win?[2] Have the odds-to-win improved? Do they indicate any current weaknesses in our strategies? What have we done in the past month to improve our odds-to-win and to move this opportunity through the sales process?
- What is the decision-making process? What are the criteria and priorities that will be used in making the decision? How have we validated the decision-making process?

[2] For a more complete discussion of Odds-To-Win, and a fact based approach to determining the odds-to-win, refer to the article: Improve Your Odds To Win Each Sales Opportunity. This can be found at http://www.excellenc.com/Odds To Win.htm

- Who is involved in the decision, what are their roles, what are their issues, what are their attitudes to us and the competition? Are we spending the right amount of time, with the right people, addressing the right issues?
- What has happened in the past month? What have we done to strengthen our competitive position? Have we executed the plan committed to in the previous review? Where have we deviated and why?
- What has the competition been doing? What progress have they made? What are we doing to strengthen our position?
- What are the critical activities that we need to execute in the coming days/weeks/months?
- What resources do we need to commit to win this deal? What executive involvement do we need?
- Is there anything that we can do to help accelerate the decision-making process? Can we demonstrate a benefit to the customer in accelerating this process?

These provide a starting point to assess the strengths and weaknesses of the sales strategy, as well as to determine the most critical next steps. It is important to probe in all of these areas to understand what is really going on, and how effectively the sales professional is managing the situation. In reviewing critical opportunities, it is always useful to be somewhat paranoid. This paranoia stimulates thinking about the customer need-to-buy; the strength of your proposal and sales strategy, your competition, and the next steps required to close the deal.

In many opportunity reviews, we find sales people guessing rather than focusing on facts. This is dangerous. It is critical to make certain that your people are dealing with the facts of the situation, good or bad. Too many times, we see sales people engaging in wishful thinking, which only leads to disastrous results.

Another important aspect of the opportunity review is to make sure the sales people are anticipating, thinking, and planning, not reacting. This proactive behavior is significant in increasing the odds-to-win.

Depending on the critical activities in the opportunity, select opportunities may have to be reviewed on a weekly or even a daily basis. Some companies also assign a situation manager to support the account manager in assuring that the opportunities are won.

Related to the critical opportunity review is the win/loss review. After a decision is made on critical opportunities, a review needs to be done to understand why the decision was made. The selling strategy and process needs to be understood as well as the product aspects. The lessons learned need to be acted on and publicized to the field so that they can incorporate the lessons into their sales strategies.

First line sales managers will want to review all critical sales opportunities in their territory. Higher level executives may only want to review opportunities exceeding a certain dollar value, those with lead customers, or those in strategic markets.

Key Account Review:

The objective of the key account review is to understand the strategy that the sales person putting in place to assure the customer is satisfied with your organization’s products and performance and to understand what the sales person is doing to identify new sales opportunities and expand the relationship. Generally, these can be regularly scheduled and can be done on a quarterly or semiannual basis. Certain accounts (i.e. Global) may require more frequent review, others will require less frequent review. Issues that should be covered in the review are:

- Current install base and competitive install base. Trends in growth of the install base. What is our share of the account? What are we doing to increase our share?
- What does the funnel look like for the account? Is it consistent with the opportunities being pursued (depending on how the funnel is implemented, not all opportunities will be reported. However, there should be consistency between what is being done in the account and the funnel).

- Customer satisfaction with the company and the competition.
- What are the current projects underway? What is the status? What exposures are there? What results do we expect these to produce?
- What are we doing to expand our relationships?
- What executive programs do we have in place?
- What marketing programs do we have in place?
- What is the total addressable opportunity in the account?
- Who is the competition calling on? What results are being produced? What executive relationships do our competitors have?
- What are the key business drivers the customer is facing? What opportunities do these present us?
- What are the key programs and activities we should be driving this year to assure that we can create new business opportunities next year?
- What resources do we need to commit to the account to achieve maximum share?
- Where are we going to get business from next year and the following year (this is more of a qualitative and directional discussion than a specific opportunity discussion.)?

An attitude of seeking to identify all the opportunity that exists within the key account and assuring that we are competing in and winning a majority of those opportunities is critical.

A template for running the account review can be developed to optimize the efficiency and effectiveness of the review, while minimizing sales time in preparing for it.

The Territory Review:

This is similar in concept to the Key Account Review, but it focuses on what the salesperson is doing to maximize their share of their territory. This provides a basis for identifying and forecasting the business opportunity for the future and assuring that the right territory development programs are being put in place. This is generally done on a quarterly or semi-annual basis. Issues that should be covered are:

- Current install base and competitive install base. Trends in growth of the install base. What is our share of the territory? What are we doing to increase our share?
- What does the funnel look like for the territory? Is it consistent with the opportunities being pursued (depending on how the funnel is implemented, not all opportunities will be reported. However, there should be consistency between what is being done in the territory and the funnel).
- What segments are we addressing, are these consistent with the company's goals?
- What resources do we need to invest in developing the territory?
- What joint marketing and partnership activities are we driving?
- Customer satisfaction with the company and the competition.
- What are the current projects underway? What is the status? What exposures are there? What results do we expect these to produce?
- What are we doing to expand our relationships and to develop new accounts within the territory?
- What customers are we in danger of losing? What are we doing about this?
- What goals do you have established for new account development?
- Is this a developmental territory (i.e. hunter, new account) or maintenance territory (i.e. farmer or account maintenance)?
- What executive programs do we have in place? Are we developing relationships with the key executives of all the accounts in the territory?
- What marketing programs do we have in place? Do we have activity levels sufficient to identify and develop new opportunities in the territory?
- What is the total addressable opportunity in the territory? What is our share?
- Who is the competition calling on? What results are being produced? What is their coverage of the territory? Are they investing? Why? What executive relationships do our competitors have?

- What are the key business drivers the customers in the territory facing? What opportunities do these present us?
- Who are the opinion leaders in the territory (customers, analysts, press, etc) and what are we doing to develop our relationships with them?
- What are the key programs and activities we should be driving this year to assure that we can create new business opportunities next year?
- Where are we going to get business from next year and the following year (this is more of a qualitative and directional discussion than a specific opportunity discussion.)?

An attitude of seeking to identify all the opportunity that exists within the territory and prioritizing the activities to address the highest priority opportunities. Sometimes it is as useful to understand what people are not working on as it is to understand what they are working on.

As critical as current activity is territory development activities to drive future business. These opportunities will appear in the top of the funnel at the appropriate time. We may want to develop and inspect certain territory activity measures including things like new account development, number of seminars (participant days), number of direct mailings, response rates, trade show participation, partnership activities, number of demonstrations conducted, number of executive visits, visibility, PR and awareness in the territory, etc.

Concluding thoughts:

The most important point is that these reviews need to be carried out with rigor. Close inspection and drilling down to test premises, assumptions, and strategies are critical. Without this inspection of the quality of the execution of these elements, these become time-wasting bureaucracy that will have an adverse impact on the field organization, the effectiveness of sales management, and the results produced.

These types of reviews should be conducted with both direct sales people and channel partners. If you do not have a strong relationship with channel partners, it will be difficult to do these effectively.

Fundamentally, using this review process as a means of inspecting to understand if the business is on track and under control is not only a good management process, but also it sends vital signals to the sales organization on the discipline, priorities, and focus of the organization.

We want to create an organization that is driven, relentlessly fact based, relentlessly customer focused (doing the right things with the right people at the right time), and committed to driving the business in a systematic and disciplined manner. If management is not disciplined in the manner in which it manages the process, then it can never hope to have the sales organization be disciplined in their management of their accounts,

Everyone in the sales organization is too busy to be wasting time in ineffective meetings. Conducting powerful reviews will reduce the number of meetings required. Doing it right will enable all your people to spend more productive time in the field, selling.

Partners In EXCELLENCE supports its clients in achieving performance and organizational excellence. We help our clients develop and implement high performance marketing, sales, distribution, and customer service strategies, maximizing their impact in achieving the desired business goals. Many of the topics addressed in this paper have tools, templates or other aids the manager can use to improve the effectiveness of sales review meetings. For information on these, please contact us at info@excellenc.com, or by phone at (949)305-7146.

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